

A study on Strategic Marketing Research and its Process

Anukriti Srivastava¹

Abstract:

In recent years, the term 'Strategic Marketing Process has come in place of 'marketing process' because companies are future oriented. The marketing executives anticipate changes; forecast the direction and intensity of these changes; and then adjust their organization's marketing programmed to these changes. All this is done for the long-run survival and growth of the organization. Meaning and Nature of Strategic Marketing Process strategic marketing process refers to the continuous effort on the part of the company to adjust its marketing mix in the light of changing environment in order to bring maximum satisfaction to consumers and to achieve marketing objectives. One should not confuse with strategic marketing process and marketing strategy. Strategic marketing process involves planning, implementing and controlling, whereas marketing strategy is one aspect of marketing planning.

Keywords: Strategic Marketing, marketing personnel right, Developing marketing plans and planning marketing

In the words of **Philip Kotler** "The marketing process consists of analyzing marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programs, and organizing, implementing and controlling the marketing effort."

The strategic marketing process is not a onetime activity. It is continuous in nature. This is because of the changing nature of today's business. Strategic marketing process is dynamic in nature. Marketing managers use their imagination, intelligence and intuition to generate innovative ideas in managing their marketing efforts. There is a constant need to come up with new and better ideas to survive and succeed in this competitive business world. The success of strategic marketing process largely depends upon the coordination of all functional departments in the firm. The marketing manager must receive active support from the production managers, the finance managers, the purchase managers and others in the organization. There should not be any conflict between the departments. This is because the success of the firm largely depends upon the success of the marketing department.

All the resources i.e., men, money, materials and machines are put to maximum use through strategic planning and control. Thus, wastage of resources is minimized to the extent possible. There is always a cost benefit analysis in strategic marketing. If the benefits outweigh

¹ Assistant Manager, IDBI Bank Ltd., Greater Noida, U.P., India

the cost, then only resources are employed and utilized. Strategic marketing enables the firm to recognize change. Many-a-times the firm is in the wrong line of business and finds difficulty in achieving its objectives. Through effective planning and control, the firm can analyze the line of business or any activity that is required to achieve organizational goals.

Strategic marketing through effective utilization of resources enables the firm to achieve marketing goals, such as increase in market share, increase in profits, increase in distribution efficiency, entry in new markets, etc. Strategic marketing develops co-ordination among different departments and levels in the organization. This is because strategic marketing requires co-ordinated efforts throughout the organization. Therefore, the marketing department co-ordinates with production, purchase, personnel, finance, and other departments. All the marketing efforts are directed in generating consumer satisfaction. Through consumer satisfaction, the company will be able to achieve its marketing objectives and the achievement of marketing objectives will enable the firm to work towards more and better consumer satisfaction. Thus, consumer satisfaction and marketing goals are interrelated and interdependent

The marketing personnel right from the Vice-President of marketing to the last salesperson in the organization make every possible effort to achieve marketing objectives. This is because they work as a team with dedication and commitment, with the active support and motivation from the superiors at all levels. Strategic marketing brings name and goodwill to the firm. This is because of quality products, good prices, good promotion and good distribution network. The firm is in a position to generate consumer satisfaction. Which in turn generates a lot of goodwill of the company among the customers, the dealers, suppliers, and others. The strategic marketing process can be broadly divided into three broad phases:

1. Planning Marketing Efforts.
2. Implementing Marketing Efforts.
3. Controlling Marketing Efforts.

The marketing manager is responsible for marketing planning. The marketing planning must be done within the framework of the overall organizational planning consists of:

- (a) Marketing audit or situation analysis.
- (b) Establishing marketing objectives.
- (c) Developing marketing strategies.
- (d) Developing marketing plans.
- (e) Developing marketing programmes.

The starting point in marketing plan is the assessment of the firm's current market situation. If a firm is entering in the market for the first time, then it will make an assessment of marketing opportunities. Marketing audit is a comprehensive, integrated, systematic, critical and objective review and appraisal of an organization's entire marketing effort. The purpose of marketing audit is to determine, how well the organization is performing in relation to threats

and opportunities in its environment and in relation to its resources, capabilities, mission, objectives, and strategies.

Like accounting audit, marketing audit should be performed periodically. It is a mistake to conduct marketing audit only when there are major marketing problems such as decline in sales. In fact, it is more beneficial to conduct a marketing audit, when the marketing situation is good because such audit may discover new market opportunities and/or indicate new and better ways for the organization to relate itself to a changing marketing environment. Marketing audit should be viewed as both diagnostic and prognostic. Marketing objectives are set in all key areas of marketing. Such key areas include sales volume, market share, profit, market standing, innovation and productivity. Objectives are set for each period, product, place, and for each market segment. For example marketing objectives may be set as follows:

- Increase market share of Brand 'A' from the present 5% to 10% by December 1994.
- The number of distribution outlets for Brand 'B' be increased by 10% by April 1995. The profits from Brand 'A' be increased by 10% by April 1995.
- The profits from Brand 'B' be increased by 5% by April 1995.
- The distribution costs of Brand 'C' may be increased by 10% for the year 1995 in order to generate 20% increase in sales.

A marketing strategy is a broad plan of action for using an organization's resources to meet its marketing objectives. The marketing objectives tell us where the firm wants to go or what it wants to achieve whereas marketing strategy tells us how to go there or how to achieve the objectives. Thus, marketing strategies are formed keeping in mind the objectives.

For example, if the marketing objective is "to increase market share of Brand 'A' from present 5% to 10% by December, 1994. The marketing strategy can be "double the sales force, recruit additional dealers, and raise the advertising budget". From this example it is clear that the objectives and strategies are consistent with each other. Marketing strategy is a broad plan of action for selecting and analyzing a target market and developing and maintaining a marketing mix to satisfy the target market.

(i) The Target Market: A target market is a well-defined set of present and potential customers for whom an organization strives to create a satisfying market offering. The organization directs its resources and capabilities to create satisfaction for its target market.

In selecting possible target markets, a marketing manager is guided by his organization's resources and capabilities, overall objectives, and environmental considerations such as the number of competitors targeting the same market and their resources and capabilities. Marketers also estimate the impact that serving those various targets will have on the organization's revenues, costs, and profits. An organization can focus on one target market with one market offering or it can focus on several target markets and develop a separate offering for each target market or segment.

(ii) Marketing Mix: It is the market offering that is created to satisfy its target market's wants. This offering is a blend of four basic elements 4Ps- Product, Price, Place and Promotion. The 4Ps are mixed to create a blend that satisfies target-consumer wants and helps the organization achieve its marketing objectives. A marketing plan specifies a marketing strategy and the details needed to implement it. The details in a marketing plan include:

- (i) The specific activities necessary to implement the strategy, their sequencing, and the person responsible for performing each activity.
- (ii) The funds and other resources needed to implement the strategy.
- (iii) Forecasted sales and profits.

A marketing plan includes standards, schedules and budgets. Because the environment within which marketing plans operate is dynamic in nature, there is no assurance that planning premises - (the assumption upon which plans are developed) - will remain valid over the life of a plan. Therefore many marketers engage in 'contingency planning'. They draw up every plan that provides answers to 'what', if questions regarding possible environmental developments.

Marketers' who sell several products in several markets follow several marketing plans at the same time. A marketing programme combines all these marketing plans into one overall plan for the total organization. The development of a marketing program requires some difficult choices to make. Because an organization's resources are limited, it ordinarily cannot afford to pursue all identified market opportunities. Therefore, the firm has to select only such plans that are expected to generate consumer satisfaction and to contribute to organizational objectives. The ultimate outcome is a marketing programme that includes those marketing plans that are judged to offer the greatest potential in attaining overall organizational goals. Plans that are not included in the programme may be scrapped or 'put on hold' pending the availability of additional resources. After planning marketing efforts, marketing manager must implement the plans and programmes. Normally, this involves securing top management's approval of marketing plans. Plans accomplish nothing, however, until they are properly implemented. Implementation includes:

- (a) Acquiring resources (physical and human resources) with which to implement a plan.
- (b) Organizing resources right person must be placed at the right place, adequate authority must be given and proper relationships must be established.
- (c) Co-ordinating efforts of the marketing personnel within the department itself and those from other functional areas such as, production, personnel, finance, purchase, R&D, and so on. Co-ordination is also required between the marketing department and outside organizations like advertising agencies, dealers, and others.
- (d) Communication with top-level management is also necessary to implement marketing plans, and with personnel of other departments, and outside agencies, and also among the personnel of the department itself.

- (e) Motivation of the sales force and other marketing personnel to implement the plans with dedication and commitment. Motivating personnel of other departments and that of outside agencies is also a must, especially the motivation of dealers is very vital in pushing the sales in the market.

Controlling is equally important in the strategic marketing process. The controlling phase can be studied under two heads:

- (a) The Control Process.
- (b) Evaluating Marketing Strategies.

(ii) Measuring Actual Performance: The marketing manager measures the actual performance with the help of sales reports. The performance is measured product/brand, area, period and salesman/sales team wise.

(iii) Comparing Performance: The actual performance is then measured against planned performance to find out deviations or variations.

(iv) Finding out Variances or Deviations: The marketing manager then finds out variances. If the variances are within acceptable limits, the manager may continue with implementation. If variances exceed acceptable limits, then necessary steps are taken.

(v) Taking Steps to Correct Deviations: If the variance exceeds acceptable limits, corrective action is necessary. The underlying causes for such variance must be studied before taking any corrective step. There are chances that the performance standard itself may be quite high. The environmental changes also may make performance standard obsolete. In such instances, it is advisable to revise the performance standard.

If, however, the analysis shows that performance standard is realistic, the control process focuses on identifying the causes of substandard performance. Accordingly, corrective action is taken. For instance, to increase sales targets, the sales force may be given more incentives, or dealers may be motivated to polish the sales, or some other measures. Again, if actual performance is above performance standard, corrective action is still needed. At times, the performance standard may be low or some other factors may be responsible. Such factors must be analyzed.

Marketing managers should also evaluate the performance of their marketing strategies in terms of the stated objectives. Performance can be measured in terms of effectiveness and efficiency. Effectiveness measures the degree to which a firm attains its objectives. Efficiency measures the cost of achieving firm's objectives. Sales data is generally used to evaluate effectiveness and cost data is generally used to evaluate efficiency.

- (i) **Sales Analysis:** It focuses on the use of sales data to measure a marketing strategy's effectiveness. Marketers who want to evaluate their strategies should consider the sales figures and also other items like, customers' details - names, locations, quantity purchased, etc, and also details about sales persons who have affected sales. Marketers

who analyze sales must be aware of the 'iceberg principle' and the '80/20 principle'. The iceberg principle holds that the summary data hides more information than what is revealed. Thus, the det sales figures hide a lot of information regarding individual product sales, sales by territory, sales qy salesman, and so on. The 80/20 principle holds that 20% of the firm's customers, products, or sales territories accounts for 80% of its sales or profits.

- (ii) **Marketing Cost Analysis:** Although sales analysis helps in evaluating a marketing strategy, yet it does not indicate anything about the profitability or effectiveness of the marketing strategy. A given strategy may be very effective in generating sales but very inefficient in terms of resource utilization. Marketing costs should be broken down by product, sales territories, salesperson, elastomers, and so on. Marketing cost analysis involves breaking down and classifying marketing cost, to determine which costs are incurred in profiling specific marketing activities. Such analysis will help to understand which product is more profitable than the others. For instance, product 'A' may have the highest sales but the lowest profits, whereas another product say product 'B' may have lower sales but higher profit knowing that product 'A' has highest sales but lowest profits should make management to probe further. Perhaps some products in the line may carry a higher profit margin than others and should be promoted vigorously.

References

1. Merlin Stone, Alison Bond and Brayon Foss, Customer Insight, Page No. 88, Edition 2004.
2. G Barnes, Build Your Customer Strategy, Page No. 14, Edition 2006.
3. Internal Marketing for Customer Satisfaction in Retail Sector, Rajlakshmi Nittla and A. Vijaya Kameswari, Volume 3, No. 3, 2009.
4. White Paper, Measuring and Tracking Customer Service, Michael Conklin, Edition 2006.
5. Barbara A Glanz, Care Packages for Your Customers, Page No. 45, Edition 2007.
6. John Desmond, Consumer Behavior, Page No. 285, Edition 2003.
7. Manfred Kraft ad Murali K Mantrala, Retailing in 21st century, Page No. 13-16, Edition 2006.
8. Keith Lincoln, How to Succeed at Retail, Page No. 182-184, Edition 2007.